Ex

STATEMENT OF MINER SEARLE BATES

I, Miner Searle Bates, was born in Newark, Ohio, May 28, 1897. I resided in Nanking, China, from 1920 to 1941 as professor of history in the University of Nanking, and returned to that post in 1945. From 1937 to 1941 I served as Chairman of the Emergency Committee of the University, responsible for its interests and properties in Nanking when the students and most of the staff removed to free territory in West China. I was also a member of the International Safety Zone Committee (Nanking) 1937-1938, which from 1938 to 1941 continued as the Nanking International Relief Committee; and was Chairman of the latter from 1939 to 1941.

I cooperated with Professor Lewis S. C. Smythe of the University of Nanking in the International Relief Committee's survey published in 1938 under the title WAR DAMAGE IN THE NANKING AREA. I carried out several other inquiries during the years 1938 to 1941 on economic and general conditions and on narcotics, usually with special reference to Nanking or to the occupied portions of East Central China. Several of these inquiries were published by the Nanking International Relief Committee, by the "Chinese Recorder," by the "China Christian Year Book," by the "China Press," and by the "Shanghai Evening Post." It was my practice to send a copy of the reports, in advance of publication, to the Japanese Consul-General in Nanking, marked "For information of the Japanese authorities," and with a request for corrections and additional facts. Acknowledgment of the reports was made with thanks, no corrections were ever offered, and the only complaint made was by the gendarmerie in the case of one report on narcotics which indicated that organization to be concerned with irregular profits from the trade.

As an active member of the International Safety Zone Committee, living with Professor Lewis S. C. Smythe who was its Secretary, I am familiar with and confirm its reports and lists of cases, as submitted to the Japanese authorities in Nanking during December, 1937, and the first months of 1938, duplicates of which were filed with the American Embassy (Nanking). These reports and lists of cases were later printed by Professor Shu-hsi Hsu under the title, DOCUMENTS OF THE NANKING SAFETY ZONE, published by Kelly and Walsh, Ltd., in 1939.

During the weeks of serious violence and disorder by the Japanese troops in Nanking, from December 13, 1937, to well into February, 1938, my especial responsibility within the International Safety Zone was the supervision and attempted protection of the more than 30,000 refugees living in the various compounds and buildings of the University of Nanking. Since the University properties were American-owned, and were thoroughly marked with official American and Japanese proclamations, as well as with numerous American flags, and also because the main University buildings immediately adjoined the Japanese Embassy where resided the Japanese officials to whom we foreign residents had daily access, it was decided

in conference among the members of the International Safety Zone Committee that for a time I should supplement the reporting done by Professor Smythe as Secretary of the Committee, making separate and supplemental representations on behalf of the University of Nanking. For weeks I prepared a letter almost daily, and usually delivered it in person to the officers of consular rank resident in the Japanese Embassy, discussing the situation with them. In presenting a few excerpts from these letters, later filed in duplicate at the American Embassy, I call attention to several points: (1) After the Japanese entered the city on the night of December 12-13, there was no resistance whatever; and no allegation of sniping was made by the Japanese, save one vague case of a sailor wounded ten days later. (2) The Japanese officers continually promised that measures would be taken to restore order among the troops, and soon began to give quotations from orders sent out of Tokyo to that end. (3) The Japanese officers continually asked for lenient judgment on the ground that the numbers of military police and of gendarmes were inadequate, but would soon be increased. At one time they declared there were seventeen of such police, at another time, seventy, yet for weeks after the capture of Nanking, more than 50,000 troops were loose in the city. (4) A few days after entry, our complaints secured from the Japanese gendarmerie command a quantity of proclamations in the Japanese language, to be posted on all entrances to foreign property, ordering soldiers to keep out. These proclamations were not merely disregarded a hundred times a day, they were frequently torn down by soldiers. I took to the Japanese Embassy pieces of proclamations so treated, in order to demonstrate the contempt of the troops for such weak measures of order. (5) In the seven weeks of acute disorder we did not see or hear of any significant act of discipline, much less of actual punishment for crimes committed by soldiers. Several of my foreign friends, who called the attention of Japanese officers to victims of rape or wounding, while the offender was still present, saw the officer require merely a salute from the soldier, whose name was not taken, and who was immediately free to go about his business. For months the troops wore no insignia by which an individual, or even his unit, could be identified. (6) In embarrassment and exasperation at their inability to do anything about the situation which brought forth daily protests and complaints, the officers of the Japanese Embassy frequently sought to defer the issue by asking me for up-to-date and specific information, claiming that improvement was actually in progress. This explains the manner and tone of certain letters presented by me to them.

For example, on December 16, 1937, I presented two letters, reporting for the two previous days many cases of looting, smashing doors, tearing down American flags and American Embassy proclamations - which proclamations were in Japanese language as well as in English and in Chinese - the abduction of women, and rape on the University premises including thirty women in one University building on the night of December 15th.

On December 17 I wrote: "The reign of terror and brutality continues in the plain view of your buildings and among your own neighbors." I reported various specific cases of rape and of forcible entry, including American residences occupied by Americans. This letter concluded as follows: "We respectfully ask you to compare these acts, which are small samples of what is happening to large numbers of residents of Nanking, with your Government's official statements of its concern for the welfare of the people of China, likewise of its protection of foreign property."

On December 18, I reported in these words, "Misery and terror continue everywhere because of the rape, violence and robbery of the soldiers." The previous night in the buildings of the University Middle School, eight women were raped, a frightened child was killed by a bayonet stroke and another child was wounded. The American flag was scornfully torn down by soldiers. "Soldiers climb over the walls many times day and night. Many persons could not sleep for three days, and there is hysterical fear. If this fear and despair result in resistance against the attack of soldiers upon women, there will be disastrous slaughter for which your authorities will be responsible." I detailed cases of rape in five other buildings of the University. There were no guards provided for the University buildings, despite promises that they would be provided. "It is being said on every street with tears and distress that where the Japanese Army is, no person and no house can be safe." I pleaded with the Embassy officers to visit with me "some of the places where this terror and suffering continue, so close to your walls."

On the afternoon of December 21, I replied to a request of the Embassy officers made that morning, by submitting the following facts: Many persons were being seized and taken away from the University for forced labor. "While I was with you in the Embassy today, my own house was looted for the fourth time. Seven other University houses have been looted today, and many have been entered several times." "Fires systematically laid by large bodies of soldiers working under the direction of officers, are rendering thousands of people homeless and without hope of return to normal work." "I have seen myself five cases of soldiers taking this afternoon food and bedding from poor people, usually requiring the people to go with the loot as carriers." I reported various specific cases of rape and robbery, including the theft of ricshas from the poor pullers. The American flag had for the second time been torn down from the American school, and was trampled by soldiers, who threatened to kill any person that should put it up again. "Two members of the International Committee who have driven several miles in a car have not yet seen a gendarme." This letter closed in these words; "If the generals intend to destroy the people's homes and take away their last food and clothing, it is better to say so honestly than to deceive them and us with false hopes of order."

The next day I complained again of the forcible removal of men from the University for labor, of the soldiers' disregard of gendarmerie notices of the entire absence of gendarmes from the streets. "Systematic looting with the use of trucks, followed by burning, continues close at hand." Specific cases of robbery, rape, and other violence were detailed.

On Christmas day I wrote to the Japanese Embassy, "New parties of stray soldiers without discipline or officers are going everywhere, stealing, raping, and taking away women." "In our own Sericulture Building alone there are on the average more than ten cases per day of rape or of abducting women." "Our residences continue to be entered day and night by soldiers who injure women and steal everything they wish." "Soldiers frequently tear down the proclamations put up by your military police." "Despite this disorder caused entirely by soldiers, we have no guard whatever and no military police have been seen near us."

On December 27, I reported again in writing: "Beginning more than a week ago, we were promised by you that within a few days order would be restored by replacement of troops, resumption of regular discipline, increase of military police, and so forth. Yet shameful disorder continues, and we see no serious efforts to stop it." Then followed detailed cases of seizure, of rape, of the cutting down and taking away of the American flag. "The life of the whole people is filled with suffering and fear, all caused by soldiers. Your officers have promised them protection, but the soldiers every day injure hundreds of persons most seriously." "Does not the Japanese Army care for its reputation?"

It was the early days of February, 1938, before some reasonable measure of discipline was inaugurated. On February 22, I made to the American Embassy a summary report of Japanese depredations on the properties of the University of Nanking within the city. They included 1720 recorded cases of forcible entry, usually by groups of armed soldiers; the removal of 647 men for compulsory labor; the raping of 290 women; more than sixty cases of murder, wounding, and other violence; seven instances of tearing down the American flag. This report did not include the removal of over 400 men during registration of refugees on the grounds of the University, under the accusation that they had formerly been soldiers in the Chinese Army; nor did it include the recruitment of male and female laborers under conditions of partial compulsion. Undoubtedly the actual cases of rape and other violence were more numerous than those reported, for reticence and fear of retribution for reporting were very marked.

Reference has been made to the removal of male refugees accused of having been soldiers. The outstanding instance in the experience of the University of Nanking, which was paralleled in greater or lesser degree at other points where registration of refugees was also carried on, occurred on December 20. Repeatedly addressing some 2,000 male refugees, Japanese officers, aided by Chinese required to speak on behalf of the officers, urged and induced more than two hundred of the men to admit that they had been Chinese soldiers or military carriors, and to seek immunity and security by volunteering for labor with the Japanese forces. In many cases the Japanese pressed or forced the admission by pointing out calloused hands and asserting that they were due to carrying a rifle; or by pointing to the marks of a hat or cap upon the skin, and asserting that they represented the wearing of a Chinese army cap. It was apparent to me that some of the men so secured were actually Chinese soldiers who had abandoned their arms and uniforms after the city ceased to be defended, while many others were

ordinary laborers and carriers who had never been soldiers. An unusually severe officer, well known to all Chinese and foreigners living in the vicinity, marched away more than two hundred men to be executed among many others gathered the same day from other points. During the next two or three weeks I learned some facts about the executions from four different survivors who escaped the machine-gun fire and bayoneting.

As early as January 10, I wrote to friends and relatives in America a message taken out of Nanking by the U.S. Navy salvage tug which came up the Yangtze River to work on the U.S.S. Panay. That message reported organized and extensive looting and burning, covering all parts of the city but especially the commercial sections. I had seen in use, and had secured samples, of chemical strips used by incendiary squads, and had seen fleets of army trucks working under the direction of officers to remove domestic and consumers' goods as loot. Practically every building in the city was robbed repeatedly by soldiers, including the American, British, and German Embassies or Ambassadors' residences, and a h h percentage of all foreign property. The two chief German commercial properties were deliberately ignited, with the swastika flag flying upon them. The minimum estimate that I could make of cases of rape within our carefully organized and observed Safety Zone was 8,000. Our German colleagues in the International Safety Zone Committee set the estimate at 20,000. I may add that before the season was finished, in University properties soldiers had raped a girl of nine and a grandmother of seventy-six years. About one-third of the known cases of rape occurred in daylight, not infrequently along public streets. Frequently the same woman was raped by several soldiers in rapid succession; in one instance, at the Bible Teachers' Training School, a refugee woman was raped by seventeen soldiers successively.

I had American and Chinese friends of many years' standing, residing in Chinkiang, Kiangsu Province, and towns such as Yangchow, Taichow, Kaoyu, and Tsingkiangpu north of Chinkiang; also in towns and cities north of Nanking along the Tientsin-Pukow Railway, such as Puchen, Tuyi, Koutangchi, Luho, Wukiang, Hochow, Chuhsien, Mingkwang, Pengpu, Kwaiyan, Nanhsuchow, Schowchow, and Hsuchowfu; also in towns south and southwest of Nanking, such as Tushan, Shunhwachen, Hushu, Kaoshun, Taiping, Panchiao, Tsaishih; Wuhu and its vicinity; Hofei and a group of towns and villages in that vicinity - these latter in Anhwei Province. Several of these places I visited during 1938 and 1939, and with the others I was in frequent touch through the travel of American missionary friends or Chinese friends. I know that with variations of numbers and intensity, they all had the same experience of murder, rape, looting, confiscation, burning, abduction, compulsory service or labor. In several of the towns named there was no stable order until six to twelve months after the Japanese occupied them.

In the course of work for the Nanking International Relief Committee during 1938, my attention was drawn to a suddenly increasing factor in the problem of general poverty - the turning of many refugees and other poor

persons to narcotics. Opium and heroin were being distributed at very low prices by peddlers offering them as remedies for the pains of hunger, disease and weakness: "If you use this, your stomach won't hurt you." "If you take a little of the white flour, your legs won't drag, and you'll feel as if you could jump over mountains."

I was encouraged by a high-minded Japanese visitor, Mr. TAGAWA DAIKICHIRO, member of the Diet, to seek adequate information which he might use in a committee of Peers and Representatives that had attempted for some years, with small results, to check the military patronage of the narcotic evil in Korea and Manchuria.

In November, 1938, I completed my investigation and report on narcotics in Nanking and adjacent areas, sent a copy to the Japanese Consul-General in Nanking, and published the report one week later. In November of the following year, amid considerable development of the public trade, I prepared and published a similar report, also submitted to the Japanese authorities in advance of publication. During 1940, I was asked by the editor of the CHINA CHRISTIAN YEAR BOOK to prepare an article on the narcotic problem in China. I therefore broadened the field of inquiry, and secured information from competent observers and investigators in fourteen provinces.

The only Japanese challenge to these reports came in 1939 upon the single specific point of a statement secured from puppet officials that the Gendarmerie and the Special Service Section of the Army drew irregular profits from opium and heroin. This statement the Gendarmerie directly asked me to withdraw. They neither offered nor asked for any correction as to any item of fact.

Opium is an old and great evil in China. It is not yet known why the generally diligent and thrifty Chinese people are more inclined than any other important group in the entire world to fall into this wasting habit. The potential demand is enormous, offering expanding profit to interests so unscrupulous as to exploit the dangerous craving. In the past hundred years various private and official elements, Chinese and foreign, have supplied, and at times developed, the narcotic trade, contending with irregular success against efforts at reform and restraint.

During the decade before 1937, the National Government of China wiped out the poppy from large areas in the eastern and central provinces, where also the general consumption was markedly reduced. Despite many weak spots, including ports where foreign opium entered, and including the extensive narcotic manufacture and trade maintained by Japanese and Koreans under the protection of concessions and extraterritoriality in Tientsin and adjoining areas of North China, government anti-opium measures were broadly effective in East and Central China and even in portions of the backward West. Not only were supplies cut down and dealers prosecuted, but individual addicts by tens of thousands were forced into registered and supervised deprivation

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of opium, with the aid of specially provided hospital treatment if required. The death penalty was applicable after a certain date in each province, both to the dealers and to smokers, and the penalty was sometimes exacted, with deterrent publicity.

In the seventeen years I had lived in Nanking prior to 1937, I had not come to recognize the appearance or smell of opium, though before 1930 I had seen indications of clandestine trade on Yangtze River steamers. In my 1938 report I wrote as follows: "The present generation has not known large supply and consumption of opium in Nanking, nor open sale in a way to attract the poor and ignorant. Opium was used in a private and semi-private manner by certain members of official and merchant groups, usually of the older type, and by few others. Particularly during the last five years has the use of opium been slight, due to fairly consistent and cumulative government pressure against the trade, plus the result of educational effort during the past thirty years." "But the changes of the year 1938 have brought an evil revolution. Today opium and heroin are abundantly supplied by the public authorities, or by those who enjoy their favor and protection. Tens of thousands of persons have become addicts, including children and numerous young people of both sexes."

Despite the gross open results and the notorious nature of the narcotic trade, however, it is never easy to secure authorized statistics or precise quantitative data. The high value of goods in small bulk easily concealed, the possibilities of private gain through adulteration and through sales outside even the most thoroughly organized distributing system, the general ill-repute of all who deal in narcotics, are factors that consistently work for reticence. In the case of large revenues or profits, such as the puppet governments and their Japanese sponsors drew from narcotics in Nanking and Central China, there were no complete or honest statements of public finance; least of all were there true open statements regarding income from narcotics. Thus personal inquiry and local observation were required.

As set forth in the reports referred to, I myself, and reliable friends under my direction, quietly and tactfully inspected many opium and heroin establishments; secured copies of official regulations and of license forms; interviewed dealers and addicts on various levels; talked with the chief puppet police officer concerned with narcotics; collected reports of arrests and court cases; examined the books of an inspector of 175 opium dens; secured a statement from the employee who cut into portions the 3,000 ounces of opium distributed daily in the open public system in Nanking city during 1939; secured a mimeographed budget sheet used in the puppet Ministry of Finance; obtained private statements from puppet officials concerned with finance in both the municipal and regional puppet governments. In 1940 comparable inquiries were made for me by responsible American friends in many cities, such as Bishop A. A. Gilman in Hankow, Professor R. T. Sailer in Peiping, Dr. R. Thompson in Canton. The following material is taken from the reports of 1938, 1939, and 1940, as presented to the Japanese authorities and as published in Shanghai for circulation in territories under their control.

In 1938 the regulations of the Nanking official system provided for 200 retail stores and smoking dens, the former taxed at the mean rate of $2,840 per quarter and the latter at $50, $100, and $150, for three, six, and nine lamps, respectively. Single lamps in homes were to be registered with a mean tax of three dollars monthly. A certificate for the daily use of one-tenth of an ounce of opium was issued for a fee of $2.20, over and above the cost of the drug itself. Special licenses were available for hotels and also for brothels; and seven-day private licenses for marriages, funerals, and social entertaining. In November, 1938, daily sales of opium were supposed to be limited to 6,000 ounces, but more than that was released because of the demand by buyers from the surrounding country. Six thousand ounces at $11 wholesale represented $2,000,000 per month. The bulk of supplies came from Dairen. Heroin traffic had developed less publicly, but in a well organized system under the protection of the Special Service Section of the Japanese Army. An agent of considerable standing in the system stated that the Special Service Section reported monthly sales above $3,000,000 in the area of which Nanking is a center. Although police reports were very much higher, I conservatively estimated the users of heroin in Nanking city to be 50,000 persons, one-eighth of the population.

In 1939 the Nanking Municipality had thirty public stores and one hundred seventy-five licensed smoking dens. Fourteen hotels were known to have licenses, and there was a very large extra-legal trade which officials vainly tried to bring into their own channels. Daily sales through the thirty public stores averaged 3,000 ounces or $66,000 retail. It was believed that the 3,000 ounces represented at least 60,000 addicts, and that the full truth was well above that figure. The Executive Yuan of the Reformed Government (then the puppet government for East Central China) received each month a "tax" of three dollars per ounce on 1,000,000 ounces of opium. Officials complained that the actual quantity of opium distributed to consumers was much larger. The official sales system was developed throughout the area controlled by the Reformed Government, and one city much smaller than Nanking reported over 300 licenses shops. As I stated in the 1939 report: "The revenue of $3,000,000 from opium is the main support of the Reformed Government, and is declared by Japanese and Chinese officials to be indispensable for the maintenance of any government in this area under the present supervision and circumstances." In July of that year, the opium expert of the Japanese Foreign Office, Mr. Haga, just returned from an inspection trip to China, informed me in his Tokyo office that the generals told him little improvement could be expected until the war was over, because "no other good source of revenue for the temporary governments could be found." An official of the Reformed Government declared that the wholesale price of nineteen dollars covered eight dollars for opium from Dairen, two dollars to other Japanese interests for transportation, the "tax" of three dollars and nine dollars margin from which the Gendarmerie and the Special Service Section drew. The heroin sales continued in a semi-private organization, consisting of some 2,400 persons, supplied and protected by Japanese.

In 1940 the central treasury of the puppet regime of Wang Ching-wei, successor to the Reformed Government in Central China, was receiving five to six million dollars monthly from the "tax" on opium distribution in the Lower Yangtze Valley alone. Peiping had 600 opium establishments. Heroin was reported to be even more commonly used than opium, as was also the case in Hankow. The latter city had 340 dens and 120 hotels officially using opium, which was supplied at the daily rate of 4,000 ounces for a population of 500,000. Licensed smokers numbered 5,000, while those unlicensed were estimated at 50,000. The contrast with the pre-war situation of severe suppression was pitiable.

In the smaller cities in occupied portions of Shansi and Shantung there were large increases in sales and addiction, and local planting of the poppy with official stimulation and protection. Kaifeng had 170 opium stores and more than 200 smoking dens for 40,000 known smokers in 250,000 population (only 700 smokers were registered). My investigation in 1940 showed that in Kaifeng Koreans conducted the heroin business with government sanction in about 200 shops classed as 'foreign concerns'; that opium was grown considerably in North Honan, and across the border in Hopei. Wuhu, a city of hardly 150,000 people, had 30 regular opium stores, nearly 600 public and private smoking dens, and about 100 places selling heroin. In Canton proper, which then had some 500,000 population, there were 852 registered dens, to which should be added some 300 unregistered places.

There was in occupied China in 1940 open sale by government shops or licensed dealers, supplemented by aggressive peddling of heroin. In certain areas, attractive advertising was used to extend the use of narcotics. The supplies of opium were provided mainly from Manchoukuo; though in 1939 there was a considerable amount secured through Japanese deals with Iran. Local production was increased. Heroin was distributed largely from factories in Dairen and Tientsin. No real efforts at suppression attempts to force the large private trade into the public, revenue-producing system of distribution.

From the spring of 1938 until my departure from Nanking in May, 1941, the Nanking International Relief Committee repeatedly asked me to secure dependable information as to the actual living conditions and living problems of the population. First I assisted Dr. Lewis S. C. Smythe, Professor of Sociology in the University of Nanking, to complete a survey of their losses in the months December, 1937, to March, 1938; and the circumstances of food, employment, and housing, in Nanking and adjacent districts. During the months of that investigation I discovered the following facts:

Losses from military operations were less than two per cent of the total losses. Practically all of the burning within the city walls, and much of that in rural areas, was done by the Japanese forces, very gradually.

Within the Nanking walls, practically no buildings were burned prior to December 19, one week following the Japanese entry. At no time was there a general conflagration; but each day throughout six weeks, beginning from December 19, certain groups or blocks of buildings were ignited. Most of the looting in the entire area and almost all of the looting in Nanking and practically all of the violence against civilians, was also done by the Japanese forces. I clearly stated these facts in writing to the Japanese Consul-General, who thanked me for my report and made no unfavorable comment upon it at any time.

In the course of these same investigations I also came to know that the looting and fire losses caused in the way just stated, comprised just over $40,000,000 in Chinese currency for the families residing within the walls, some 221,000 persons. The loss in buildings and contents for the entire city, which housed just over 1,000,000 people at the outbreak of the war, was $246,000,000 in Chinese currency, or $1,262 per family of the pre-war population. Among the farm population residing in 1938 in the four and one-half counties (hsien) adjacent to Nanking, one resident in every seven farm families was killed. Forty per cent of all farm buildings were burned. Farm losses, domestic property, excluded, were $41,000,000, or $220 per family. (In 1937-1938 the exchange value of the Chinese dollar was thirty cents in American currency, and its purchasing power was about one dollar in American currency.)

In further investigations made for the International Relief Committee during 1938 and 1939, I found that other serious handicaps, over and above destruction of personal and productive property, affected the life of important parts of the population. During 1938 and the first months of 1939, any Japanese merchant who came to Nanking was offered both a commercial and a residential property, which were taken from Chinese owners by the Special Service Organ of the Army, or by the Gendarmerie. Often no compensation whatever was allowed; but in others a contract was drawn up and filed in Japanese offices, though payments were often withheld and the Chinese owner had no recourse. When a Chinese succeeded in rebuilding some little business, he frequently was required to accept a Japanese partner who provided no capital and who did nothing for the business except to secure needed permits or protection from the Special Service or the Gendarmerie. Moreover, banking, transportation, wholesale dealings in rice, cotton, yarn, building materials, electrical goods, metals, were made monopolies either by direct act or the use of licensing controls. Gradually certain Chinese who were co-operating with the army or other Chinese assistants of Japanese organs and firms were allowed fractional participation in these enterprises. But the mass of Chinese business interests were driven into the smallest shops, domestic manufacture, and mere peddling; while thousands of able-bodied men and women were able to live only by accepting the low pay of casual laborers at the Japanese supply dumps or in their transportation enterprises.

The monopolies were used against the interests of Chinese producers and consumers alike. For example, as a member of the Nanking International Relief Committee, with some friendly support from the American Embassy and from Japanese civilian officials, I strove in vain for months at a time to secure the right to buy rice in producing areas. In these efforts I had the same experience of which Chinese merchants constantly complained, that local Chinese officials had no discretionary power, but were required to refer applications to Japanese colonels. The important rice districts between Nanking and Wuhu were held by the Japanese Army to a price of eight and ten dollars per picul when the Nanking price was about twenty dollars; while the Army authorized a Japanese trading concern to move the eight-dollar rice to Tsinan and to Shanghai to sell at forty and forty-five dollars per picul.

Chinese business-men were throttled by the monopoly of transportation and the discriminatory use of it to control all wholesale trade. I frequently heard them complain bitterly in the course of my investigations that they and their people were reduced to the status of coolies and shopboys for an alien economy. Specifically, they pointed out the discriminatory controls in such varied lines as the following: coal, salt, banking, cotton, metals, cement, lime, electric and water installations.

Furthermore, I learned in the course of my investigations that when a Chinese business was redeveloped after the general experience of burning, looting and confiscation of commercial sites, it was continually threatened and hampered by the Special Service Section until it accepted a Japanese partner, who then provided the ever-necessary permits and a measure of security in exchange for a first claim on returns and a managerial voice that could summon aid from the military at will.

These facts were notorious. I clearly stated them in writing to the Japanese Consul-General, and then published them, without objection or restraint by the Japanese authorities.

Given under my hand this 25 day of June, 1946.

/s/ Minor Searle Bates
Minor Searle Bates

The foregoing statement was subscribed and sworn to by M. S. Bates before me at Tokyo this 25 day of June, 1946.

/s/John F. Hummel
Major J.A.G.D.